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8 Attorneys for Complainant

10 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
11 OF THE STATE OF CALIFORNIA

12 In the Matter of:) CFL License No. 60DBO-75936
13 THE COMMISSIONER OF BUSINESS)
OVERSIGHT,) CONSENT ORDER
14)
15 Complainant,)
16 v.)
17 WALLWORK FINANCIAL CORPORATION,)
18 Respondent.)
19)

20 Complainant, the Commissioner of Business Oversight (Commissioner), and Respondent,
21 Wallwork Financial Corporation (Wallwork), enter this Consent Order (Order) based on the
22 following facts:
23

24 **RECITALS**

- 25 A. At all relevant times, Wallwork is and was incorporated under the laws of North Dakota and
26 has its primary place of business at 401 38th Street, South West, Fargo, North Dakota 58103.
27 B. Wallwork entered into contracts called “Combination Note and Security Agreement” to
28 provide financing to third parties for the purchase of commercial equipment in California from 2013

1 through 2017. The terms of these agreement made them loans under the California Financing Law
2 (CFL) (Fin. Code, § 22000 et seq.).

3 C. Wallwork also paid finders' fees or commissions for some of the California loans it issued to
4 persons who were not licensed loan brokers under the CFL, in violation of California Code of
5 Regulations, title 10, section 1451, subdivision (c).

6 D. In issuing loans without a CFL license and paying fees or commissions to entities who were
7 not licensed loan brokers under the CFL, the Commissioner finds Wallwork acted in violation of
8 Financial Code section 22100.

9 E. Wallwork applied to the Department of Business Oversight (Department) for a CFL license
10 on September 5, 2017 (license number 60DBO-75936). During the application process, Wallwork
11 was cooperative in the investigation by the Department of the scope of the unlicensed lending
12 activity.

13 F. Wallwork admits to the jurisdiction of the Department, consents to the entry of this Order, and
14 agrees to comply with its terms.

15 G. The Commissioner finds that this Order is necessary, in the public interest and consistent with
16 the purposes, policies, and provisions of the CFL.

17 **TERMS**

18 1. Desist and Refrain Order. Pursuant to Financial Code section 22712, Wallwork is hereby
19 ordered to desist and refrain from engaging in the business of acting as a finance lender in the State of
20 California without first obtaining a CFL license from the Commissioner, or otherwise being exempt.
21 Further, Wallwork is ordered to desist and refrain from paying finders' fees or commissions for loans
22 to persons who are not licensed loan brokers under the CFL or are otherwise exempt.

23 2. Administrative Penalties. Pursuant to Financial Code section 22713, subdivision (c),
24 Wallwork agrees to pay administrative penalties in the amount of \$57,000.00, due and payable to the
25 Department within 10 days of the effective date of this Order, as such date is defined by Paragraph
26 10. The penalty shall be paid by check made payable to the "Department of Business Oversight" and
27 mailed to the attention of: Accounting, Department of Business Oversight, 1515 K Street, Suite 200,
28 Sacramento, California 95814. Notice of payment shall be made concurrently to Senior Counsel Kirk

1 Wallace at Department of Business Oversight, One Sansome Street, Suite 600, San Francisco,
2 California 94104.

3 3. Remedy for Breach. Wallwork agrees that failure to timely comply with the conditions set
4 forth in Paragraph 2 shall result in summary denial of Wallwork’s application for a CFL license and
5 authorize the Commissioner to immediately seek to enforce the terms of this Order as to
6 administrative penalties against Wallwork as a final order.

7 4. Waiver of Hearing Rights. Wallwork acknowledges its right to an administrative hearing
8 under the CFL in connection with the orders and remedies specified herein and hereby waives its
9 right to a hearing, and to any reconsideration, appeal, or other right which may be afforded under
10 CFL sections 22712, 22171 and 22718 and to judicial review of this matter pursuant to Code of Civil
11 Procedure section 1094.5 with respect to the issuance of this Order.

12 5. Future Actions by the Commissioner. The Commissioner reserves the right to bring any
13 future action(s) against Wallwork or any of its partners, owners, officers, directors, shareholders,
14 employees, or successors for all unknown or future violations of the Financial Code. This Order shall
15 not serve to exculpate Wallwork or any of its partners, owners, officers, directors, shareholders,
16 employees, or successors from liability for all unknown or future violations of the CFL.

17 6. Public Record. Wallwork hereby acknowledges that this Order is a matter of public record.

18 7. Authority to Execute. Each signatory hereto covenants that he or she possesses all
19 necessary capacity and authority to sign and enter this Order.

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1 8. Effective Date. This Order shall not become effective until signed by all parties and
2 delivered by the Commissioner's counsel by email to Wallwork controller Kelly Geiger at the email
3 address kelly.geiger@wallworkfinancial.com
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6 Dated: April 27, 2018

JAN LYNN OWEN
Commissioner of Business Oversight

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8 By _____
9 MARY ANN SMITH
10 Deputy Commissioner
11 Enforcement Division

12 Dated: April 27, 2018

13 By _____
14 Bill Wallwork, President
15 Wallwork Financial Corporation
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